

Department of Transportation

Division of Secretariat

Office of Air, Rail & Transit

700 East Broadway Avenue
Pierre, South Dakota 57501-2586
OFFICE: 605/773-3574
FAX: 605/773-2804

SOUTH DAKOTA STATE RAILROAD BOARD MEETING AGENDA

JULY 20, 2016 @ 11:00 A.M.

BECKER-HANSEN BUILDING -700 EAST BROADWAY AVENUE, PIERRE, SD 57501

The Inter-Call dial-in number is 1-866-410-8397. The conference code is 1289182255

11:00 A.M.	Call to Order - Todd Yeaton, Chair	
	•Discussion & Consideration of Conflicts of Interest	1
	• Approve the minutes of meeting on June 15, 2016	2
11:15 A.M.	Karla Engle, Office of Legal Counsel	
	• Discussion of laws relating to boards, authorities and commissions	
11:30 A.M.	Darin Bergquist, Secretary	
	• Secretary's report	
11:45 A.M.	Bruce Lindholm, Office of Air, Rail, and Transit	
	• Update on MRC TIGER project	
	• Update on Britton line project	
	• Update on RCP&E Tiger project	
	• Update on Sioux Valley Slide project	
	• Consideration of Dakota Southern's MRC maintenance plan	
	• Request for meeting date to adopt changes to Property Management Guideline	3
	• Consideration of Sale of Presho Property	4
	• Consideration of surveying railroad right of way in Kennebec	5
	• Consideration of sale of property at Napa Junction	6
	• Consideration of amendment to Slover & Loftus law firm agreement	7
	• Consideration of bid award for surplus of railroad bridge timber	8

Adjourn

Notice is further given to individuals with disabilities that this board meeting is being held in a physically accessible place. Any individuals with disabilities who will require a reasonable accommodation in order to participate in the board meeting should submit a request to the department's ADA Coordinator at 605 -773-3540 or 1-800-877-1113 (Telecommunication Relay Services for the Deaf). Please request the accommodations no later than **2 business days prior to the meeting** in order to ensure accommodations are available.

**The next regular board meeting will be held on Wednesday,
August 17, 2016 @ 11:00 a.m. in the DOT Commission Room**

NOTICE OF MEETING OF THE SOUTH DAKOTA RAILROAD BOARD

You will take notice that the South Dakota Railroad Board will have a meeting on Wednesday, July 20, 2016 at 11:00 a.m. The public may listen to and participate in the proceeding in the Transportation Commission Room 200 of the South Dakota Department of Transportation, 700 E. Broadway Avenue, Pierre, South Dakota. **The InterCall dial-in number is 1-866-410-8397. The conference code is 1289182255.**

Darin P. Bergquist, Secretary
Department of Transportation

Notice is further given to individuals with disabilities that this board meeting is being held in a physically accessible place. Any individuals with disabilities who will require a reasonable accommodation in order to participate in the board meeting should submit a request to the department's ADA Coordinator at 605-773-3251 or 1-800-877-1113 (Telecommunication Relay Services for the Deaf). Please request the accommodations no later than **2 business days prior to the meeting** in order to ensure accommodations are available.

STATE OF SOUTH DAKOTA) : SS
COUNTY OF HUGHES)

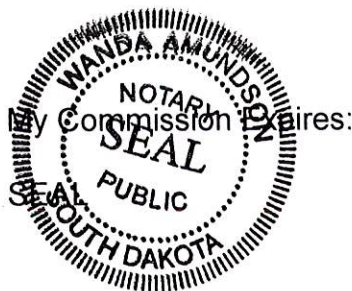
AFFIDAVIT

I, Darin P. Bergquist, Secretary of the Department of Transportation, being first duly sworn, do hereby state that the above Notice of Meeting of the South Dakota Railroad Board will be posted on Friday, July 15, 2016 in the entryway of the Becker-Hansen Building at 700 East Broadway Avenue, Pierre, South Dakota.

Darin P. Bergquist, Secretary
Department of Transportation

Subscribed and sworn to before me a Notary Public this 15th day of July, 2016.

Notary Public



Wanda Amundson
My Commission Expires
June 7, 2022

July 11, 2016

Todd Yeaton, Chairman
South Dakota Railroad Board
500 East Capitol Avenue
Pierre SD 57501

Re: House Bill 1214

Dear Mr. Yeaton:

I am submitting this letter of disclosure in an effort to comply with the intent of House Bill 1214 – an Act to Regulate Conflicts of Interest for Authority, Board or Commission Members - requiring the disclosure of potential conflicts of interest in regard to the activities of the South Dakota Railroad Board.

I am currently serving as an appointed member of the South Dakota Railroad Board and the South Dakota Rail Authority.

The firm with which I am currently employed, until July 31, 2016, at which time my retirement becomes effective) enters into several thousand contracts each year for civil engineering and surveying services provided to governmental agencies (municipal, county and state) and to private individuals statewide. The entire portfolio of services provided by my firm includes land surveying and civil engineering services in connection with streets; water supply, treatment, distribution and storage systems; sanitary sewer treatment, collection, transportation and disposal systems; storm drainage and handling systems; general aviation airports; and other general civil engineering services.

None of the services provided by my firm to any of our clients are, to the best of my knowledge, related to the business of railroads in any way at this time.

I am in the process of selling all of my interest in the firm of Schmucker, Paul, Nohr and Associates, an engineering company that provides civil engineering services to a myriad of entities throughout the state of South Dakota. Effective July 31, 2016, my retirement becomes

fully effective. At that time, I will no longer serve as an employee, shareholder, officer or member of the Board of Directors.

My wife, Jan, serves as a member of the Mitchell Area LifeQuest Foundation Board. Mitchell Area LifeQuest is an organization that assists people with developmental disabilities to participate in those aspects of life that are most cherished by the society of which they are members. The organization aids in teaching their clients about making informed choices, living in ordinary family settings in ordinary community housing, working at jobs in the community, shopping in community businesses, utilizing generic community services, participation in social, recreational, and leisure time activities, and being included in relationships in which they experience acceptance, respect, and affection. The Mitchell Area LifeQuest Foundation solicits donations from a multitude of individuals and businesses to provide supplemental long-term financial support to LifeQuest. It is not known if any of the donations or businesses are engaged in activities directly or indirectly related to or impacted by the actions of the South Dakota Rail Board.

It is my opinion that my participation in and membership of the South Dakota Railroad Board and my wife's participation in the LifeQuest Foundation Board would not result in any potential conflict of interest as per House Bill 1214.

In the event I become aware of any potential conflict, I will advise the Board as soon as possible upon discovery and excuse myself from any discussion and consideration of the matter.

I would be happy to answer any questions that you or the Board might have regarding my current position as well as my future status with SPN and Associates.

Sincerely,

A handwritten signature in black ink, appearing to read "Harlan J. Quenzer", followed by a long, horizontal, slightly wavy line that extends to the right.

Harlan J. Quenzer, P.E.

My name is Jerry Cope and I am currently an appointed member serving on the State Rail Board. I am sending this letter of disclosure as required by HB 1214 which goes into effect on July 1, 2016, to notify you of my current involvement in businesses that could potentially be impacted by decisions made by the South Dakota Rail Board.

I am employed by Dakota Mill & Grain (DMG), a privately owned grain, feed and agronomy company at our headquarters in Rapid City. I have no ownership share in the company nor do I sit on the company board. My primary responsibilities include grain merchandising for all of our locations. As a member of the management team we work either together or individually on projects such as operations, upgrades, rail development and transportation related issues that may be impacted by decisions of the State Rail Board. This includes, but is not limited to, negotiations with the state over land leases, track leases, track crossings, land acquisition and loans. Over time DMG has leased and acquired property from the state of SD.

DMG has 9 locations – 7 are located on the Rapid City Pierre & Eastern Railroad (RCPE) at Belle Fourche, Rapid City, Wall, Philip, Midland, Ft. Pierre and Highmore. We have a truck only facility at Murdo and one at Presho. Presho is truck only today but will have rail service upon completion of the state owned Mitchell - Rapid City (MRC) line upgrade. The current operator on the MRC is Dakota Southern Railroad (DSRC). All state owned rail lines and the respective line operators, including the MRC and DSRC, are under the oversight and responsibility of the State Rail Board.

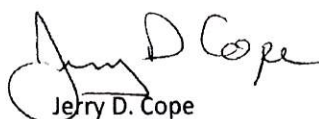
Other areas of involvement include:

Board member of South Dakota Grain and Feed Association (SDGFA). SDGFA is a voluntary membership organization representing the SD grain and feed industry and has regular interaction with the state regarding current issues. SDGFA obtains donations and / or sponsorships from contractors, related companies and railroad's serving the state for the general purpose of funding our annual Ag Expo.

Board Director and member of the Rail Shipper / Receiver Committee for the National Grain & Feed Association (NGFA). NGFA is the national organization representing industry related interests of individual and state members such as SDGFA. This representation involves interaction with all forms of transportation and particularly Class I and regional Class II railroads including railroads currently serving SD – BNSF, CPRS, UP, CN, RCPE among others.

My wife, Lori, is the Executive Director of South Dakota Ag and Rural Leadership (SDARL), a non-profit Ag based leadership program that relies entirely on donations. Donors include railroads operating in SD, Other Ag companies doing business here and individuals who may, at various times, either have direct involvement with the state, sit on state boards or be impacted by actions of the State Rail Board.

I would be happy to answer any questions that the Board might have about my position and DMG. I will also update these disclosures if our business and my entity relationships change in the future.


Jerry D. Cope

6/16/16

REQUEST FOR STATE BOARD WAIVER

THIS IS A PUBLIC DOCUMENT

Date:

7/1/16

Name of Board Member or Former Board Member: Jeff Burkett

Name of Board, Authority or Commission: South Dakota State Railroad Board

Brief explanation of your potential conflict of interest: Lease of Maple Street rail yard in Rapid City, SD to Minerals Technology Incorporated. Employer of Jeff Burkett

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

Lease of a state owned rail asset - Jeff Burkett is an employee of MTI. MTI is leasing from the state of South Dakota the Maple Street yard in Rapid City

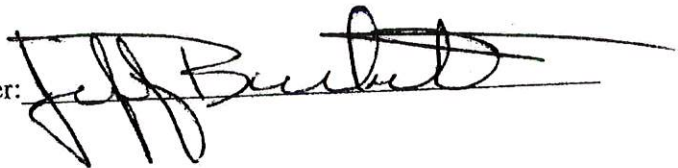
Brief explanation of the essential terms of the contract or transaction.

10 years from the date of the agreement.
- 60 Day termination in writing

Brief explanation of why you believe a waiver should be granted:

The rail yard in Rapid City is sitting idle. MTI has the need to lease rail to store empty rail cars. Jeff Burkett will not be voting on this as a rail board member.

Signature of Person Requesting Waiver:



SOUTH DAKOTA STATE RAILROAD BOARD MEETING
 Becker-Hansen Building – Commission Room
 June 15, 2016 @ 11:00 AM
 Pierre, South Dakota

MEMBERS: Todd Yeaton, Chair

Carl Anderson
 Jeff Burket
 Jerry Cope
 Sheldon Cotton
 Gary Doering
 Harlan Quenzer

OTHERS: Lester Thompson, Jack Parliament, Alex Huff, Dick Huff, John Hauck
 Rick Vallery, Tub Harrington, Rick Spiering, Shawn Engel, Mike Williams,
 and Jeff Cooley

STAFF: Joel Jundt, Bruce Lindholm, Karla Engle, Lynn Kennison, Misty
 Siedschlaw, Bonnie Olson, and Tessa Wenner

PHONE: Bob Mercer

Agenda Items:

Call to order

- 1) Approve the minutes of meeting on May 18, 2016
- 2) Discussion of laws relating to boards, authorities and commissions
- 3) Update on MRC TIGER project
- 4) Update on Britton line project
- 5) Update on RCP&E Tiger project
- 6) Update on Sioux Valley Slide project
- 7) Discussion on Wolsey, Yale and Britton committee report
- 8) Discussion on Sioux Valley & Napa-Platte committee report
- 9) Update on Dakota Southern's MRC maintenance plan
- 10) Consideration of Napa-Platte rail line lease

Chair Yeaton called the regular meeting of the South Dakota State Railroad Board (the "Board") to order at 11:00 AM with a quorum present.

At the request of Deputy Secretary Jundt, the Chair moved Agenda item #2 "Discussion of laws relating to board, authorities, and commissions" to the end of the meeting.

Deputy Secretary Jundt requested the Board reconsider the amount of right of way to be sold in the Presho land sale at the next Board meeting as an agenda item.

Deputy Secretary Jundt recommended that a reoccurring agenda item be added to the Railroad Board meeting agenda entitled, "Secretary's Report."

1) Approve the minutes of the meeting on May 18, 2016

Motion by Burket, second by Cope, to approve the May 18, 2016, Railroad Board Meeting minutes. Motion carried by roll call vote (all aye).

3) Update on MRC TIGER project

The MRC Tiger grant project is on schedule. Jeff Cooley updated the Board on the status of the MRC project as follows:

- 32 miles of line have been installed
- 20,000 to 30,000 ties have been installed
- 6,500 tons of ballast have been installed
- 9 crossings have been installed
- 7 turn-offs have been installed
- Missouri River Bridge is completed, with the exception of the sliding joints, which should be finished in mid-July
- Some effort will be focused on finishing crossings in July

4) Update on Britton line project

Bruce Lindholm updated the Board on the status of the Britton line as follows:

- 24 miles of line have been identified for replacement
- 8 miles of rail has been replaced (anything under 90lb rail)
- Waiting for the remaining rail to arrive from Kansas City, Missouri
- Completion is slated for mid-August

5) Update on RCP&E Tiger project

Lindholm updated the Board on the status of the RCP&E Tiger project. The Department of Transportation ("Department") is waiting for purchasing approval from the Federal Railroad Administration.

6) Update on Sioux Valley Slide project

Lindholm updated the Board on the status of the Sioux Valley Slide project. The Department is getting closer to bid-letting. Studies have been completed and the Department is waiting on final environmental approvals. During the environmental

approval process, an endangered species of bat may have been detected in the area of this project.

7) Discussion on Wolsey, Yale, and Britton committee report

A committee of the Board, consisting of Burket, Cope, and Cotton, along with Department staff, made observations of the conditions of the Wolsey, Yale, and Britton rail lines and provided the Board with a summary of their observations.

8) Update on Dakota Southern Railway Company's MRC maintenance plan

Lester Thompson, a representative of the Dakota Southern Railway Company, provided an update to the Board on Dakota Southern's maintenance activities on the MRC line.

- Bridges between Mitchell and Chamberlain have had replacement and additional stringers on all except three remaining bridges. The next step will be to address all defective bridge caps.
- Brooming of the track has been started and will continue.
- Shoulders and spraying of the road bed has been done for both the Napa/Platte and MRC lines. Spraying will continue as the kosha is strong this year.
- 1,300 ties have been replaced, with 200 ties remaining to be installed.
- 3,000 tons of ballast have been delivered onsite, with 2000 tons distributed and the remainder to be placed where needed.
- 5 spots have been lifted and tamped.

Thompson feels confident the deadline set by the Board can be met.

10) Consideration of Napa-Platte rail line lease

Lindholm informed the Board the Napa Platte lease expires July 18, 2016, two days before the July Board meeting. The lease is currently with Dakota Southern Railroad Company. If no action is taken on the lease, the lease will expire. DOT requested approval to extend the lease agreement another six months.

Motion by Doering, second by Quenzer to extend the current lease agreement for six (6) months. Roll call vote was taken. (Six ayes One nay [Cope]). Motion carried.

Resolution 2016-B18 was adopted.

2) Discussion of laws relating to boards, authorities and commissions

Karla Engle presented information on House Bill 1214, which was passed during the 2016 Legislative Session. The law goes into effect July 1, 2016.

Motion to adjourn by Quesner, second by Anderson. The meeting adjourned at 1:15 PM.

Next meeting is scheduled for July 20, 2016.

**MRC LINE COMMITTEE
REPORT ON LINE OBSERVATIONS
FROM
MITCHELL TO CHAMBERLAIN**

July 14, 2016

Participants:

Lynn Kennison, SD DOT
Gary Doering, SD Railroad Board
Harlan Quenzer, SD Railroad Board

General background information:

The purpose of the observations this date was to monitor the progress being made by Dakota Southern Rail Company (DSRC) in regard to the completion of the items addressed in the maintenance plan provided by Mike Williams of the DSRC.

Extent of high rail observations:

1. Started at the junction of the MRC rail line and Ohlman Street in Mitchell, SD, and ended just west of the DSRC yard in Chamberlain.
2. Exceptions:
 - a. Segment of rail line between White Lake and 370th Avenue (one mile east of Gavilon) due to the passage of a 115-car-unit train of grain being shipped east from Gavilon.

General observations:

1. We were told that all of the 10,000 tons of ballast had been delivered and most of the ballast placed as per the maintenance plan. It was noticeable that there was a fair amount of ballast dumped in certain areas and things did look better than they did during the April 14, 2016, observation. There are still areas that appear to need additional ballast at bridges and crossings as well as some areas that do not appear to have adequate ballast needed to allow necessary adjustments to the vertical and horizontal alignment.
2. There were several areas where lumps of clay were observed mixed in the ballast that had been placed. Although the presence of the clay is not extensive, there is reason to be concerned about this clay material in that the purpose of the ballast is to eliminate clay and mud under the ties. If not removed, this material will be tamped into place under the ties along with the ballast thus replacing mud with mud.

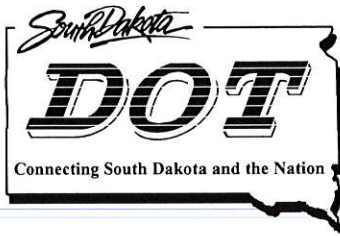
3. In some areas it appeared that some tamping, regulating and alignment of the rail line had been performed. However, in other areas it did not appear that any effort had yet been made to complete the tamping and rail line adjustment. Even in those areas where an effort had been made to tamp the ballast into place, the track didn't appear to be very level or straight and was not very smooth. We were notified that DSRC was going to get a contractor to help them with the tamping, regulating and alignment efforts. We were told that the contractor's tamper was supposed to arrive in Chamberlain on July 15, 2016.
4. The replacement of the ties appears to have been completed. However, it was disturbing to note that many of the old ties that were replaced are still alongside the track and have not been removed. This is especially evident in that section of line between Pukwana and the DSRC yard in Chamberlain.
5. There is one pile of old ties at Mile Post 434.1. There is another pile of old ties in the DSRC yard in Chamberlain that is stacked very high that in our opinion would pose a serious safety threat for anyone in the area of the pile. In regard to the removal of the old ties that were present in the DSRC yard in Chamberlain as noted in the April, 2016, observation report, it did not appear that much, if any, progress had been made to remove and dispose of this material. In regard to the disposal of the old tie material, it is our recollection that Mr. Williams told us that this material was to be hauled away for disposal. It is very apparent that this disposal effort has not been started.
6. A crossing located at Mile Post 436.1 has loose boards in place of a proper crossing with crossing plank. This should be corrected as soon as possible.
7. The entire length of track from Chamberlain to Mitchell has been sprayed for weeds. We were informed that the section of track from Mile Post 377 to Mile Post 398 was re-sprayed as of June 27, 2016. Due to weather conditions, the first spraying was not effective. The effects of the re-spray in this area are starting to show results. There are several areas where a type of vegetation identified as horsetail is becoming evident in the ballast. This is a plant that is difficult to control at this time of the year. Literature shows that the most effective time to take steps to control this particular vegetation is in the early spring. This is reported to be a new issue with little idea as to the source of the vegetation.
8. There has been some effort to control brush and remove trees that are too close to the track. The removal process is, in our opinion, very sloppy.
9. On that section of track between Kimball and Chamberlain there was a very noticeable deterioration of the line since the last inspection. The amount of traffic over this section of the rail line is just the 20-car ballast trains running over it for the MRC2 project. It is our opinion that this is an indication of the importance of a good maintenance plan that needs to be in place if we are to keep up with the growing traffic on this line.
10. We have a concern over the storage tanker cars on various sidings on the MRC line. We have requested and been assured that the ethanol cars that are stored there were to be purged. Since these appear to be the same cars that were

there during the April, 2016, observation, is there any way that we can determine whether the cars have been adequately purged so as to prevent any threat to the public? Our concern is in regard to the liability of the State of South Dakota, the SD DOT and this Board.

11. It is our opinion that it is going to be a stretch of the imagination that the maintenance work will be completed within the time frame Mr. Williams has promised that it would be. It is further our opinion that Mr. Williams should provide the Board with routine monthly progress reports.

General Recommendations:

1. A written plan describing the intended removal and disposal for the old ties that are currently lying along the track and stockpiled on railroad right-of-way should be required of DSRC. This should include schedules and proposed agreements for the disposal of the ties within a reasonable time frame acceptable to the Board.
2. At the June meeting of the Board, verbal assurances were given that adequate personnel and equipment would be transferred into the area to complete the maintenance work required, now and in the future. There is a concern that contrary to the verbal promises made at the June meeting, that DSRC will transfer the equipment and personnel currently performing maintenance work to other locations until such time as there is another emergency on the MRC line. It is recommended that a written plan describing the number, type and qualifications of personnel needed to adequately perform the routine maintenance of the track necessary to keep the rail at the standards to which it was provided to the operator of the line.
3. During the reconstruction of the sections of the MRC line from Mitchell and Chamberlain and from Chamberlain to Presho, not all of the ties were replaced which means that many of the old ties were left in place. As the traffic on these sections of line increases, the older and weaker ties will become evident and will require replacement. Therefore, it is recommended that a written plan describing the future removal and replacement of ties in that section of the MRC line from Mitchell and Chamberlain and from Chamberlain to Presho should be prepared and submitted to the Board for review and acceptance. This plan should include an estimate for the number of ties that can reasonably be expected to be replaced on an annual basis.



Department of Transportation

3

Division of Finance & Management

Air, Rail and Transit

700 East Broadway Avenue

Pierre, South Dakota 57501-2586

OFFICE: 605/773-3574

FAX: 605/773-3921

MEMORANDUM

Date: July 13, 2016

To: Chairman, South Dakota State Railroad Board

From: Bruce Lindholm, Program Manager, Air, Rail and Transit

Subject: Setting a Public Hearing Date to Change Guideline #3

As the Department continues to address encroachment issues along state owned rail lines it has come to our attention that the method for determining rental rates under Guideline #3 is not an ideal method for determining rental rates. Under the current method, the annual rental rate is determined based on 5% of the average per acre agricultural value in the county where the property lies with minimum rental rates established.

For example, assume under the current method we have 200' of total right of way – 100' on each side of the centerline of the railroad and allow farming operation up to 25' of the centerline. Depending on the location, when we calculate the annual rental rate under the current method of determining rental rates under Guideline #3, it would result in a \$300 annual per acre cash rent, when actual market rates on cash rent are closer to \$100.

The Department requests the Board set a meeting date to consider updating the method of determining the annual rental rate under Guideline #3 to a more market based process.

GUIDELINE NO. 3

OFFICE OF AIR, RAIL, AND TRANSIT PROPERTY MANAGEMENT GUIDELINE USE OF STATE-OWNED RAILROAD PROPERTY FOR AGRICULTURAL PURPOSES

This Guideline is applicable to the use of State-owned railroad property for agricultural purposes.

Haying and grazing purposes:

1. Use of property between station grounds for agricultural purposes shall be by agricultural permit.
2. No agricultural permit for the grazing of livestock shall be granted on operational lines.
3. An agricultural permit will be granted to a permit applicant on first come first serve basis.
4. Agricultural permits shall be renewable annually at a rate of twenty-five dollars (\$25.00) per mile per side of the track.
5. Use of property within station grounds for agricultural purposes shall be by agricultural lease.

Farming purposes:

6. Annual rental for agricultural leases shall be determined on the basis of five (5) percent of the average per acre agricultural value in the county where the property lies. Minimum rental for agricultural leases shall be as follows:

Operating Rail lines

- | | |
|-------------------------|-----------------|
| Incorporated stations | - \$60 per year |
| Unincorporated stations | - \$30 per year |

Non-operating Rail lines

- | | |
|--------------|-----------------|
| All stations | - \$30 per year |
|--------------|-----------------|

7. This Guideline shall not apply to the use of State-owned railroad property for agricultural purposes for which a lease or permit has been issued prior to the adoption of this Guideline.
8. Any party aggrieved by an action of the Office of Air, Rail, and Transit may file a petition with the Program Manager, Office of Air, Rail, and Transit for a hearing before the South Dakota State Railroad Board.
9. Within 45 days of the receipt of the petition by the Office of Air, Rail, and Transit, a public hearing shall be held before the Board.

GUIDELINE NO. 3

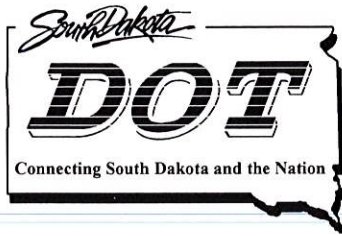
10. Notice of the hearing shall be published in not less than three newspapers of general circulation in the State not less than 20 days prior to the scheduled date of hearing.
11. The hearing shall be conducted consistent with the provisions of SDCL 1-26 pertaining to contested cases.

Adopted by Resolution No. 2015-B26, this 16__ day of December, 2015.

SOUTH DAKOTA STATE RAILROAD BOARD

By _____
Chairman

Revised December 16, 2015



Department of Transportation

4

Division of Finance & Management

Air, Rail and Transit

700 East Broadway Avenue

Pierre, South Dakota 57501-2586

OFFICE: 605/773-3574

FAX: 605/773-3921

MEMORANDUM

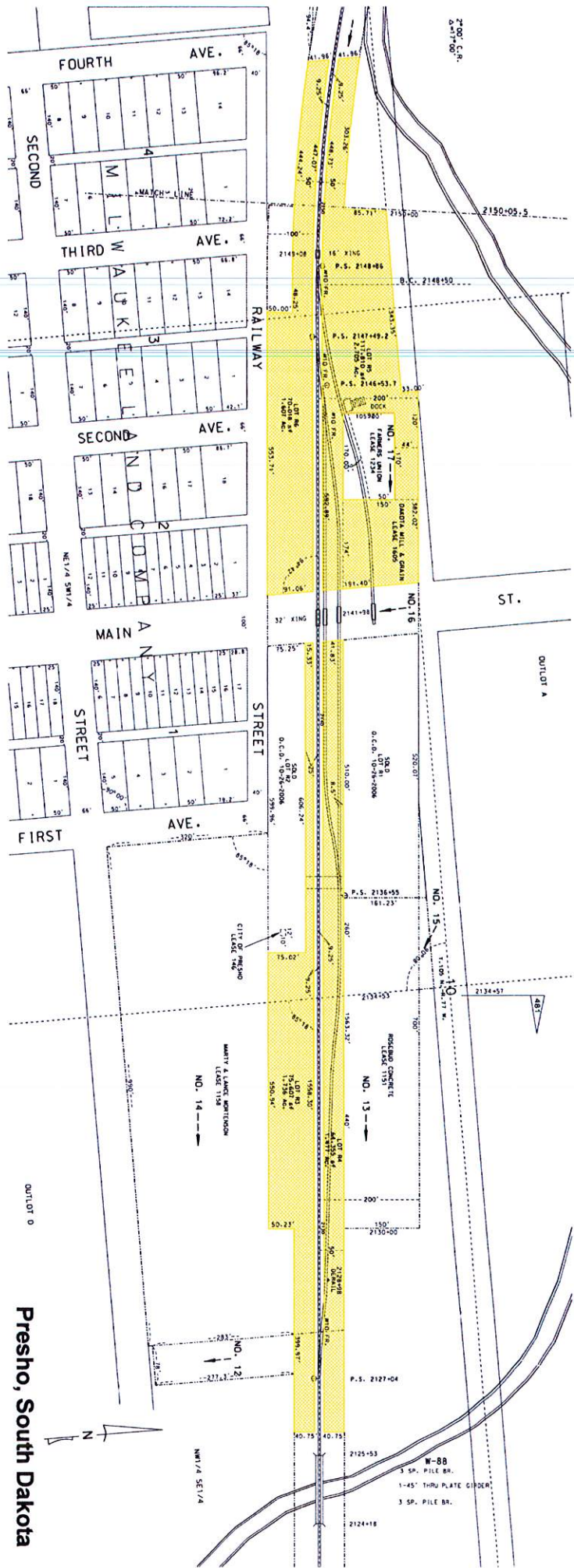
Date: July 13, 2016

To: Chairman, South Dakota State Railroad Board

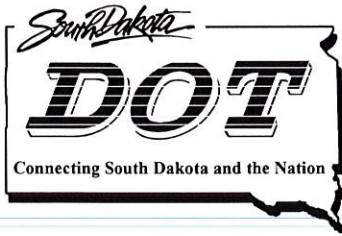
From: Bruce Lindholm, Program Manager, Air, Rail and Transit

Subject: Sale of Prescho Property

Brian Hammerbeck, a representative of Dakota, Mill & Grain, Inc. will be attending the Board meeting to present to the Board a purchase proposal for state owned property in Prescho.



Presho, South Dakota



Department of Transportation

5

Division of Finance & Management

Air, Rail and Transit

700 East Broadway Avenue

Pierre, South Dakota 57501-2586

OFFICE: 605/773-3574

FAX: 605/773-3921

MEMORANDUM

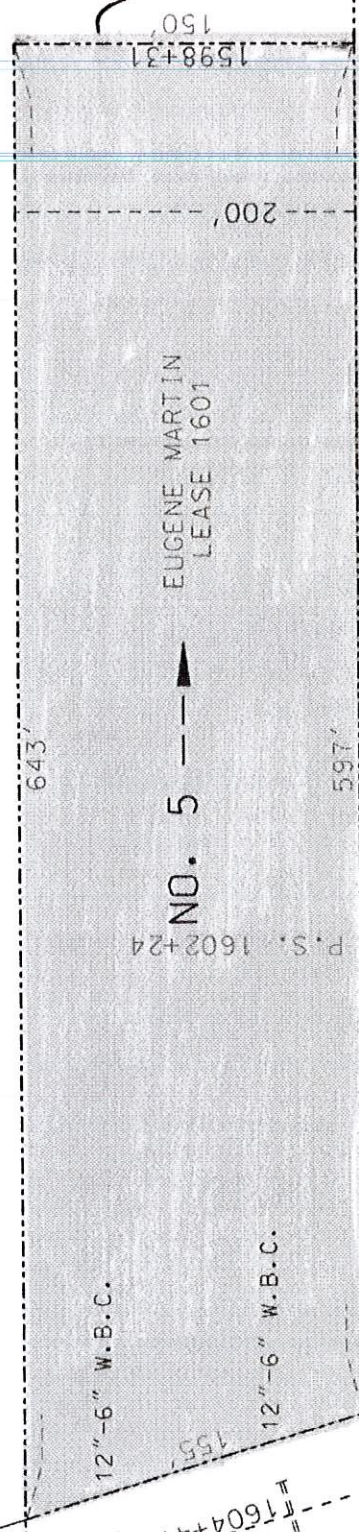
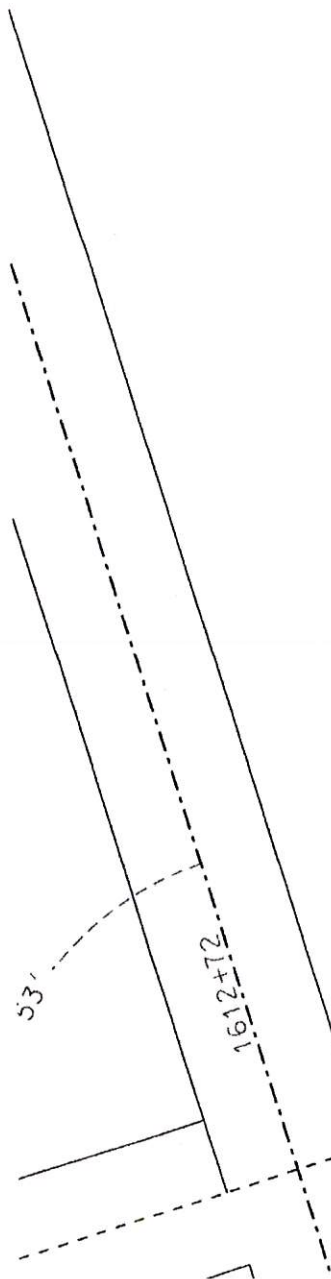
Date: July 13, 2016

To: Chairman, South Dakota State Railroad Board

From: Bruce Lindholm, Program Manager, Air, Rail and Transit

Subject: Survey of Railroad Right of Way in Kennebec

During the MRC project the leaseholder (Eugene Martin) allowed the Department and the Department's contractors to stockpile material on the leased property. The leased property is colored yellow on the attached map. The use of heavy machinery on the leased property caused large ruts in the ground. Mr. Martin wishes to continue to lease the property and pay for his lease and is willing to restore the property. In exchange for Mr. Martin repairing the property, Mr. Martin has requested the Department conduct a survey to identify the property corners in order to establish the exact boundary of his leased property.



12"-6" W.B.C.

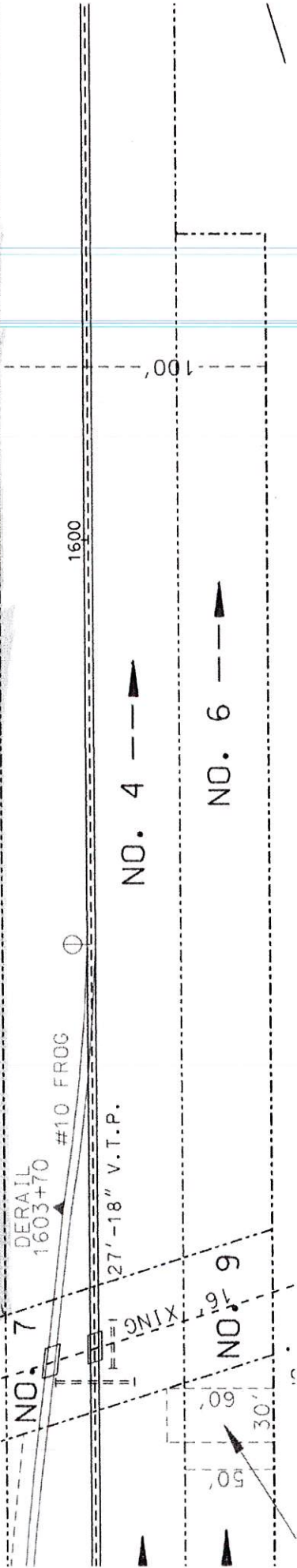
12"-6" W.B.C.

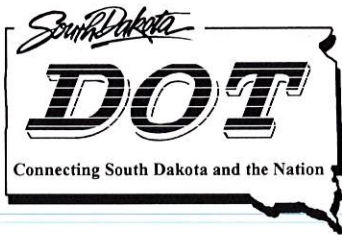
155'

1604+47

1603+70

155'





Department of Transportation

6

Division of Finance & Management

Air, Rail and Transit

700 East Broadway Avenue

Pierre, South Dakota 57501-2586

OFFICE: 605/773-3574

FAX: 605/773-3921

MEMORANDUM

Date: July 13, 2016

To: Chairman, South Dakota State Railroad Board

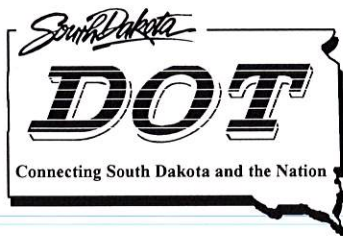
From: Bruce Lindholm, Program Manager, Air, Rail and Transit

Subject: Property Sale of State-Owned Property at Napa Junction

During the design and construction of the loop track at Napa Jct an assumption was made by the Engineer for Dakota Plains Ag Center :LLC ("Dakota Plains"), that Dakota Plains had access and use of State-owned right of way along the Napa Platte mainline. The grading for the loop track extends into the State right of way 20'. The cost to move the loop is extremely high and would result in the loop track being too short, and would cause considerable project delays.

Dakota Plains has proposed a solution where Dakota Plains would acquire the 20' wide strip of State-owned railroad right of way to allow for construction of the loop track, and also would grade the remaining State-owned railroad right of way to allow for the construction of a siding track.

Mr. Tobin Morris will be at the Board meeting to discuss the proposal with the Board.



Department of Transportation

7

Division of Finance & Management

Air, Rail and Transit

700 East Broadway Avenue

Pierre, South Dakota 57501-2586

OFFICE: 605/773-3574

FAX: 605/773-3921

MEMORANDUM

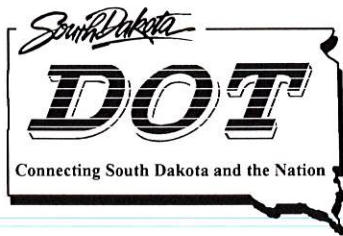
Date: July 13, 2016

To: Chairman, South Dakota State Railroad Board

From: Bruce Lindholm, Program Manager, Air, Rail and Transit

Subject: Slover and Loftus Law Firm Agreement Amendment

The Department is requesting Board approval to amend the Slover and Loftus agreement to allow for an additional \$100,000 to be added to the agreement for continued legal services. Slover and Loftus has been working on various rail related issues for the Department and the Board.



Department of Transportation

8

Division of Finance & Management

Air, Rail and Transit

700 East Broadway Avenue

Pierre, South Dakota 57501-2586

OFFICE: 605/773-3574

FAX: 605/773-3921

MEMORANDUM

Date: July 13, 2016

To: Chairman, South Dakota State Railroad Board


From: Bruce Lindholm, Program Manager, Air, Rail and Transit

Subject: Bid Award Railroad Bridge Timber

The bid opening for the Bridge Timber bid is July 18, 2016. The Department will bring the bids to the Board meeting for review and approval of award.

NOTICE OF MEETING OF THE
SOUTH DAKOTA RAILROAD BOARD

You will take notice that the South Dakota Railroad Board will have a meeting on Wednesday, July 20, 2016 at 11:00 a.m. The public may listen to and participate in the proceeding in the Transportation Commission Room 200 of the South Dakota Department of Transportation, 700 E. Broadway Avenue, Pierre, South Dakota. **The InterCall dial-in number is 1-866-410-8397. The conference code is 1289182255.**



Darin P. Bergquist, Secretary
Department of Transportation

Notice is further given to individuals with disabilities that this board meeting is being held in a physically accessible place. Any individuals with disabilities who will require a reasonable accommodation in order to participate in the board meeting should submit a request to the department's ADA Coordinator at 605-773-3251 or 1-800-877-1113 (Telecommunication Relay Services for the Deaf). Please request the accommodations no later than **2 business days prior to the meeting** in order to ensure accommodations are available.

STATE OF SOUTH DAKOTA)
: SS
COUNTY OF HUGHES)

AFFIDAVIT

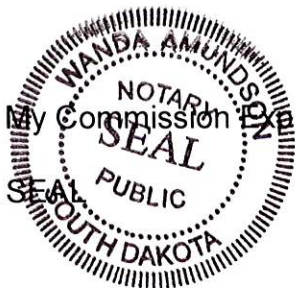
I, Darin P. Bergquist, Secretary of the Department of Transportation, being first duly sworn, do hereby state that the above Notice of Meeting of the South Dakota Railroad Board will be posted on Friday, July 15, 2016 in the entryway of the Becker-Hansen Building at 700 East Broadway Avenue, Pierre, South Dakota.


Darin P. Bergquist, Secretary
Department of Transportation

Subscribed and sworn to before me a Notary Public this 15th day of July, 2016.

Notary Public





Wanda Amundson
My Commission Expires
June 7, 2022